RJR Tobacco

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Comments: **AMERADA HESS/PICK KWIK *SIGNATURE* BONUS**

As discussed and agreed upon June 2, 1997, a $26,000.00 signing bonus will be added to Amerada Hess *SIGNATURE* accrual fund if proposed industry approach and RJR programs are agreed to by July 1, 1997. The attached documentation will serve as justification of this bonus.

Hess Marts has achieved a 53.9% share of category of *SIGNATURE* through March 30, 1997 (Attachment I) this is a +30% share of category in less than a year. Sales at Amerada Hess were projected to be 250,000 cartons at the end of year one. Based on current movement prior to the Pick Kwik acquisition they will achieve from 220,000 and 250,000. Amerada Hess current share of market in Florida is 11.4% (Attachment II).

Even though Pick Kwik share of market on Dronson is only 1.08% no committment by Pick Kwik was given to this Private Label. We are estimating by year end that Pick Kwik share of market will be 7.9% with projected annualized sales of 102,960 cartons.

Bonus calculations are as follows:

Pick Kwik weekly volume 381 cartons x 11.4% = 43.4 CPW
x 52 x 66 x 20¢ = $29,813.00 bonus available.

Bonus agreed upon $26,000.

If you have any questions, please feel free to let me know.

cc: D. L. Wilmesher
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